

Strategy Case: IQVIA - Connecting Data and Clinical Research

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Topic: Corporate Strategy, Growth Strategy, Customer Strategy

Industry: Life Sciences Tools & Services

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Decision scope: How far to integrate customer work and investment across IQVIA's businesses over the next planning cycle

Case convention: This is a constructed classroom decision exercise. The assignment and alternatives are hypothetical; company disclosures are historical. No private deliberations, actual budget request, or management proposal is represented.

The decision

Suppose IQVIA's corporate strategy team is asked to advise its executive leadership on the next planning cycle. Should the company keep decision-making and accountability mainly within its three business segments, coordinate selected customer opportunities across them, or prioritize a broader integrated platform model? The team must explain what capabilities or customer workflows should be shared, how costs and accountability should be assigned, and what evidence would justify expanding or stopping the effort.

The assignment is hypothetical. IQVIA's public filings describe complementary offerings, but they do not disclose a pending reorganization, a specific investment request, or quantified financial benefits from cross-segment selling. Students should distinguish the company's stated strategic logic from proven outcomes.

A business across the life-sciences value chain

IQVIA provides healthcare information, analytics, technology, clinical research, and contract sales services. At year-end 2023, the company reported approximately 87,000 employees in more than 100 countries. Its disclosures describe more than 1.2 billion longitudinal, non-identified patient records and roughly 61 petabytes of data sourced from about 150,000 suppliers and more than one million data feeds. IQVIA says it curates and integrates information using analytics, technology infrastructure, and domain expertise. [1]

The company reports three segments. Technology & Analytics Solutions (TAS) provides healthcare information, software and analytics, including real-world data and evidence services. Research & Development Solutions (R&DS) provides outsourced clinical research and clinical trial services, primarily to biopharmaceutical clients. Contract Sales & Medical Solutions (CSMS) provides healthcare-provider engagement, contract sales and patient-engagement services. IQVIA says these offerings can complement one another and that each can help drive demand for the others when delivered together. [1]

That portfolio raises a practical question. A life-sciences client may use data and analytics to understand a disease, identify trial sites and patients, conduct a clinical program, and later

evaluate treatment use or commercial performance. IQVIA has capabilities that touch several of those steps. But the public disclosures reviewed for this case do not show how often the same customer buys across segments, whether a bundle changes renewal rates or trial outcomes, or how much incremental margin the company earns from coordinating the work.

Different demand signals

The segments entered 2024 with different reported growth rates. TAS had slower growth than R&DS, while R&DS reported strong bookings and an expanding backlog. The latest release also showed continued difference in Q1 2024. Management said TAS grew as expected and anticipated gradual improvement later in the year; it described R&DS demand and request-for-proposal growth as strong. These are management's assessments and forecasts. [2, 3]

Exhibit 1. Segment revenue and profit

USD millions, except growth. Revenue and segment profit are IQVIA-reported. Percentages are reported growth unless identified as constant currency. "Segment-profit margin" is an author calculation and is not a GAAP operating margin or return on invested capital.

Segment	FY 2023 revenue	FY 2023 revenue growth, reported	FY 2023 segment profit	Approx. segment-profit margin	Q1 2024 revenue	Q1 2024 growth, reported (constant currency)
Technology & Analytics Solutions	\$5,862	2.0%	\$1,490	25.4%	\$1,453	0.6% (1.0%)
Research & Development Solutions	\$8,395	6.0%	\$1,915	22.8%	\$2,095	3.4% (3.8%); 6.9% excluding pass-throughs
Contract Sales & Medical Solutions	\$727	(2.2%)	\$49	6.7%	\$189	3.8% (7.1%)
Total	\$14,984	4.0%	-	-	\$3,737	2.3% (2.9%)

Sources: FY 2023 segment revenue, growth, and segment profit: IQVIA 2023 Form 10-K, Item 7, pp. 53-56; Note 17, p. 111; Q4/FY 2023 release, "Full-Year 2023 Operating Results" (SEC Exhibit 99.1, lines 20-22). Q1 2024 segment revenue and growth: Q1 release, "First-Quarter 2024 Operating Results" (SEC Exhibit 99.1, lines 25-32).

The segment-profit margins divide reported segment profit by segment revenue. IQVIA excludes some corporate and unallocated costs, depreciation and amortization, and restructuring from segment profit. The company does not disclose comparable segment capital employed or returns on invested capital. Currency translation also affects reported growth. R&DS's 6.9% Q1 growth excluding pass-throughs uses a different revenue basis than its total reported growth. [2, 3]

The contrast creates competing interpretations. The stronger clinical-services bookings could support investment in R&DS capacity and further integration of data into trial services. TAS could benefit from stronger product development and customer coordination after a period of

cautious client spending. Conversely, accelerating one segment while another remains slower growing could divert attention and resources from each segment's immediate operating needs.

What the backlog says-and leaves open

R&DS reported \$2.6 billion of Q1 bookings and a \$30.1 billion contracted backlog at March 31, 2024, up 7.9% year over year. The company expected about \$7.7 billion of that backlog to convert to revenue over the next twelve months. Its book-to-bill ratio was 1.23x, or above 1.3x excluding cancellation of a large central-nervous-system program. [3]

Backlog is an indicator of future activity, not a guarantee of revenue, margin, or cash. IQVIA notes that the size and duration of projects vary; customers and regulators may delay work; customers may cancel or change scope; and revenue timing can move. The backlog figure includes reimbursed expenses. It should not be added to or treated as identical to a separate \$31.7 billion remaining-performance-obligation figure reported for year-end 2023. That accounting measure covers multiple segments and excludes wholly unperformed contracts the customer can unilaterally cancel. [1, 3]

The bookings data also contain a reminder that a headline ratio can depend on program-level events. The Q1 ratio was above 1.3x excluding a large CNS cancellation. Which figure should guide a capacity decision: the actual reported 1.23x, the adjusted ratio, the amount of backlog expected to convert, or some combination? What evidence would show whether this demand can be served profitably?

The resources behind a possible connection

IQVIA's data and technology offerings include cloud software for commercial and clinical processes, analytics, real-world evidence, market data, and access to clinical data in specialty areas. Its R&DS operations conduct clinical research and trials. The company reports that shared capabilities and customer relationships help it serve life-sciences clients across the value chain. [1]

The same assets create constraints. IQVIA depends on third-party data suppliers and has to comply with privacy rules, customer contracts, and data-use permissions. Possessing large data resources does not mean that all information can be used in every client's clinical program or connected across customer accounts. The company identifies data-supplier restrictions, changing privacy requirements, cyber incidents, contract termination, project delays and cancellations, and its ability to price and deliver contracts as business risks. [1, 3]

The organizational question is how to capture customer value while protecting trust and operating focus. A client may want one integrated provider across several activities, or may prefer separate vendors to maintain control, reduce dependence, or keep sensitive information compartmentalized. A shared account team could coordinate opportunities; it could also blur segment accountability or add handoffs. A common platform could reduce duplication; it could require significant investment and common standards. The record available at the cutoff does not resolve these possibilities.

Capital and execution constraints

At March 31, IQVIA reported \$1.444 billion of cash, \$13.536 billion of debt, and \$12.092 billion of net debt. It reported a 3.38x net-leverage ratio using trailing-twelve-month adjusted EBITDA. Q1 operating cash flow was \$522 million and company-defined free cash flow was \$377 million. The company reaffirmed its 2024 adjusted EBITDA and adjusted diluted EPS guidance. Reported revenue guidance was \$15.325-\$15.575 billion after a stated foreign-exchange adjustment; the forecast assumed about \$300 million of COVID-related revenue step-down and about 100 basis points of acquisition contribution. Adjusted EBITDA and adjusted EPS are non-GAAP measures. [3]

These figures may matter if deeper integration requires new product, data, technology, or sales investment. Yet the company does not disclose a segment-specific investment budget, a hurdle rate for shared projects, or free cash flow by segment. Any budget or return target proposed by students must be labeled as a hypothetical planning assumption.

Exhibit 2. Demand and capital indicators at the cutoff

Measure	Reported value	Definition / limitation
R&DS bookings, Q1 2024	\$2.6bn	Includes quarter bookings; not revenue recognized in the period
R&DS book-to-bill, Q1 2024	1.23x	Reported including cancellation of a large CNS program; above 1.3x excluding that cancellation
R&DS contracted backlog, Mar. 31, 2024	\$30.1bn	Includes reimbursed expenses; timing, scope and cancellations can change
Backlog expected to convert within 12 months	Approx. \$7.7bn	Company expectation at the reporting date
Cash / debt / net debt, Mar. 31, 2024	\$1.444bn / \$13.536bn / \$12.092bn	Issuer-reported balances
Net leverage	3.38x	Company-defined ratio to trailing-twelve-month adjusted EBITDA
Q1 operating cash flow / free cash flow	\$522m / \$377m	Free cash flow is a company-defined non-GAAP measure

Source: IQVIA Q1 2024 release, “First-Quarter 2024 Operating Results” and “Financial Position” (SEC Exhibit 99.1, lines 20-35). Bookings and backlog are at lines 20-31; cash, debt, leverage, and cash flow are at lines 34-35.

A competitive context

IQVIA’s annual report describes a fragmented biopharmaceutical-services industry. It says the company competes with global service firms, smaller specialized providers, clients’ internal departments, universities, hospitals, government agencies and others. The company identifies price and contract terms, technology change, and consolidation as competitive pressures. [1]

ICON, another global clinical research provider, reported Q4 2023 net book-to-bill of 1.22, closing backlog of \$22.8 billion (up 10.0% year over year), and full-year revenue of \$8.12 billion

(up 4.9%). Its reported backlog and bookings definitions are not identical to IQVIA's. Charles River Laboratories, whose business includes early research and preclinical work, described its 2024 outlook as reflecting cautious biopharmaceutical demand after much of 2023; its Q4 revenue was down 7.9%, with calendar, currency, acquisition and divestiture effects also cited. These companies have different business mixes and measures. Their disclosures provide context, not a direct performance ranking. [4, ICON "Highlights" and "Fourth Quarter 2023 Results"; 5, Charles River release overview and "2024 Guidance."]

Both scale and specialization may matter. A large provider can serve global programs and combine a broader set of capabilities. A smaller specialist may bring focused expertise or a narrower service model. IQVIA must decide whether its breadth creates enough value to justify the coordination required to use it.

Planning choices

For the hypothetical planning assignment, consider three approaches:

1. **Segment-led execution.** Keep segment leaders accountable for their own growth, investment, and operating results. Coordinate across segments when a specific customer need supports it, without a broad change to account ownership or product funding.
2. **Selective integration.** Keep segment profit accountability, but establish joint customer teams and shared product pilots for selected clinical and data workflows. Define how costs and customer ownership are assigned, and use clear measures to decide whether the model expands.
3. **Broad platform integration.** Give cross-segment products, shared customer coverage, and common data or technology capabilities greater priority in planning and incentives. This could require more centralized decisions and additional investment.

None of these is described as an actual IQVIA proposal. A recommendation should state which customers or workflows are in scope, how segment leaders remain accountable, what risks require controls, what evidence the team should collect, and how it would know whether to scale or stop an initiative.

Assignment

You are advising IQVIA's hypothetical executive strategy team at the start of its next planning cycle. Prepare a short recommendation that answers:

- How much should IQVIA integrate work and investment across TAS, R&DS, and CSMS?
- What is the strongest value-creation case for your preferred approach, and what is the strongest argument against it?
- What data, customer permissions, governance, and financial measures would you require before committing to a broader model?
- What milestones or outcomes would cause you to expand, revise, or stop the approach?

Use only information available by May 2, 2024, 8:30 a.m. ET. Separate reported facts from management views, your own calculations, and assumptions.

Source notes

[1] IQVIA Holdings Inc., 2023 Form 10-K, filed Feb. 15, 2024, Items 1, 1A and 7; Notes 3 and 17. [SEC filing](#).

[2] IQVIA Holdings Inc., Q4 and full-year 2023 results, Feb. 14, 2024, Exhibit 99.1 to Form 8-K. [SEC release](#).

[3] IQVIA Holdings Inc., Q1 2024 results, May 2, 2024, Exhibit 99.1 to Form 8-K. The release was scheduled before market open; the cutoff precedes the 9:00 a.m. ET earnings call. [SEC release](#).

[4] ICON plc, Q4 and full-year 2023 results, Feb. 21, 2024. [Company release](#).

[5] Charles River Laboratories, Q4 and full-year 2023 results and 2024 guidance, Feb. 14, 2024. [Company release](#).